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## HOT STOCKS

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### **BUY** Decmil Group (DCG) \$2.06

Decmil is Perth-based company, which provides design, civil and engineering services to the resources, energy and infrastructure sectors. It recently announced a \$70 million contract to design, supply and install the fly camp for the Wheatstone LNG project. Coinciding with its recent rights issue announcement, it outlined the acquisition of a 50 per cent interest in the Calliope village, Queensland.

### **SPECULATIVE BUY** Pancontinental Oil (PCL) \$0.08

PCL is an oil and gas exploration company with exciting prospects in offshore East Africa, predominantly Kenya and Namibia. Following the large discovery by Anadarko about 18 months ago, there has been a high level of interest, to the point where PCL has been able to farm out to Origin, Tullow and Apache and earn a 15 per cent free carry on the first well in the highly prospective block L8, offshore Kenya.

### **BUY** Woodside Petroleum (WPL) \$33.66

Woodside's recent update left the market somewhat underwhelmed, but the pullback in share price provides a long-term opportunity for investors. While more delays at Pluto are frustrating, the stock remains at the forefront of LNG development.

### **BUY** Extract Resources (EXT) \$8.15

EXT has uranium deposits in Namibia, where its main asset is the Husab project. A feasibility study completed in April 2011 identified uranium production at 15 million pounds a year for over 10 years, making it one of the largest uranium mines in the world, with first production expected in 2014. A recent 37 per cent increase in Husab resources, extending the mine life beyond 20 years, makes it a buy in a market now increasingly receptive to uranium stocks.

### **BUY** Technology One (TNE) \$1.04

TNE provides software solutions to private businesses and services a wide range of government departments. It recently reported a strong 2011 financial year, with net profit after tax up by 14 per cent to \$20.3 million. It offers a fully franked dividend and has a record of rolling out new software platforms that should result in further growth.

### **LONG-TERM BUY** Quickstep (QHL) \$0.17

Quickstep is now getting into its stride and starting production for the +\$600 million Joint Strike Fighter contract. Additional contracts are in the offing. Highly regarded investment house Washington Soul Pattinson has confirmed its endorsement of the QHL technology, putting up its hand for half of the present \$10.4 million entitlements issue, which is underwritten by State One Equities.

**Paul Cooper**  
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### **BUY** Iluka Resources (ILU) \$16.06

ILU is an ASX-listed, top-100 company and is a major participant in the global mineral-sands sector. ILU remains one of the top-performing, blue-chip resource stocks for 2011, given its strong mining operating performance and favourable mineral-sands commodity prices. The recent share-price weakness is considered to be an excellent entry opportunity as the company is expected to improve production and sales volume throughout 2012.

### **BUY** Forge Group (FGE) \$4.50

FGE is a multidisciplinary construction company that holds a strong order book and has a significant pipeline of near-term project opportunities. The company is leveraged to WA's mining, oil and gas sectors, and will be responsible for construction of projects for blue-chip resource clients, including Woodside, Chevron, Inpex and Hancock Prospecting.

### **BUY** Doray Minerals (DRM) \$1.50

DRM remains a standout performer even through this volatile market environment. We expect the release of the gold resource upgrade next week, which should provide a substantial increase to its high-grade, close-to-surface gold deposit. We view DRM as a high-quality, emerging gold explorer, with significant upside potential.